AMENDMENTS TO THE CLAIMS:

The listing of claims will replace all prior versions, and listings of claims in the application:

LISTING OF THE CLAIMS

1. (Currently Amended) A method for auditing an activity being implemented at an organization, the method comprising:

documenting, within a database included in a network accessible by the organization and an auditing entity, an activity to be audited;

auditing the activity;

determining if the audited activity produced a finding, said find representing a deficiency in the audited activity such that an action is mandated to be taken by the organization to correct the deficiency;

if the audited activity produced the <u>a</u> finding, documenting the finding within the database; and

automatically transmitting, via the network, a notification of the finding from the auditing entity to the organization.

2. (Currently Amended) The method for auditing an activity as set forth in claim 1, further including:

determining if the audited activity produced an observation, said observation representing a non-mandatory recommendation regarding the audited activity;

if the audited activity produced the an observation, documenting the observation within the database; and

automatically transmitting, via the network, a notification of the observation from the auditing entity to the organization.

3. (Original) The method for auditing an activity as set forth in claim 1, further including:

resolving the finding.

4. (Original) The method for auditing an activity as set forth in claim 3, wherein the resolving step includes:

developing, within the organization, a proposed response for resolving the finding; and

transmitting, via the network, the proposed response to the auditing entity.

5. (Original) The method for auditing an activity as set forth in claim 4, wherein the resolving step further includes:

determining if the proposed response is acceptable to the auditing entity; if the proposed response is acceptable, implementing the proposed response at the organization;

if the proposed response is not acceptable, performing a first negotiation between the organization and the auditing entity to determine a negotiated response;

if the negotiated response is acceptable to both the organization and the auditing entity, implementing the negotiated response at the organization; and

if the negotiated response is not acceptable to both the organization and the auditing entity, escalating a status of the finding.

6. (Currently Amended) The method for auditing an activity as set forth in claim 5, further including:

determining if the implemented response is acceptable to the auditing entity;

if the implemented response is acceptable to the auditing entity, setting a status of the finding to indicate that it has been resolved;

if the implemented response is not acceptable to the auditing entity, performing second negotiations between the organization and the auditing entity; and if the second negotiations do not result in a response acceptable to both the organization and the auditing entity, escalating a status of the finding.

7. (Original) The method for auditing an activity as set forth in claim 1, further including:

transmitting a report summarizing the finding, via the network, to a predefined addressee.

- 8. (Currently Amended) A system for auditing an activity implemented at an organization, comprising:
 - a network;
 - a client computing device communicating with the network;
 - a server computing device communicating with the network; and
- a database communicating with the network, the activity to be audited being documented within the database, an auditing entity auditing the activity, if the audited activity produces a finding, the finding being documented within the database, said find representing a deficiency in the audited activity such that an action is mandated to be taken by the organization to correct the deficiency, and a notification of the finding being transmitted, via the network, from the auditing entity to the organization.
- 9. (Currently Amended) The system for auditing an activity implemented at an organization as set forth in claim 8, wherein if the audited activity produces an observation:

the observation being documented within the database, said observation representing a non-mandatory recommendation regarding the audited activity; and a notification of the observation being transmitted, via the network, from the auditing entity to the organization.

- 10. (Original) The system for auditing an activity implemented at an organization as set forth in claim 8, wherein a resolution to the finding is achieved via communications across the network between the auditing entity and the organization.
- 11. (Original) The system for auditing an activity implemented at an organization as set forth in claim 10, wherein the resolution is determined as a function of a proposed response, which is developed within the organization and transmitted to the auditing entity.
- 12. (Original) The system for auditing an activity implemented at an organization as set forth in claim 11, wherein:

if the proposed response is acceptable to the auditing entity, the organization implements the proposed response;

if the proposed response is not acceptable to the auditing entity, the organization and the auditing entity perform a first negotiation to determine a negotiated response;

if the negotiated response is acceptable to both the organization and the auditing entity, the organization implementing the negotiated response; and

if the negotiated response is not acceptable to both the organization and the auditing entity, a status of the finding being escalated.

13. (Currently Amended) The system for auditing an activity implemented at an organization as set forth in claim 12, wherein:

if the response implemented at the organization is acceptable to the auditing entity, the status of the finding being set to <u>indicate that it has been resolved</u>;

if the response implemented at the organization is not acceptable to the auditing entity, a second negotiation being performed between the organization and the auditing entity; and

if the second negotiation does not result in a response acceptable to both the organization and the auditing entity, the status of the finding being escalated.

14. (Original) The system for auditing an activity implemented at an organization as set forth in claim 8, wherein:

a report summarizing the finding is transmitted, via the network, to a predefined addressee.

15. (Currently Amended) A method for automatically managing a quality assurance program, the method comprising:

identifying an activity to be audited;

auditing the activity; and

if the audited activity produces a finding, documenting the finding, said find representing a deficiency in the audited activity such that an action is mandated to be taken by the organization to correct the deficiency.

16. (Currently Amended) The method for automatically managing a quality assurance program as set forth in claim 15, further including:

if the audited activity produces an observation, documenting the observation, said observation representing a non-mandatory recommendation regarding the audited activity.

- 17. (Original) The method for automatically managing a quality assurance program as set forth in claim 16, further including:

 reporting the finding and the observation to a predetermined group.
- 18. (Original) The method for automatically managing a quality assurance program as set forth in claim 15, negotiating a resolution to the finding between an auditor and a client.
- 19. (Original) The method for automatically managing a quality assurance program as set forth in claim 18, wherein the negotiating step includes: sending a notification of the finding from the auditor to the client; sending a desired response to the finding from the client to the auditor; determining if the desired response is acceptable to the auditor; if the response is acceptable to the auditor, implementing the desired response; and

if the response is not acceptable to the auditor, escalating a status of the finding.

20. (Original) The method for automatically managing a quality assurance program as set forth in claim 19, wherein:

the step of sending the notification includes:

e-mailing the notification from the auditor to the client; and the step of sending the desired response includes:

e-mailing the desired response from the client to the auditor.

21. (Currently Amended) The method for automatically managing a quality assurance program as set forth in claim 19, further including:

if the implemented desired response is acceptable to the auditor, setting the finding status to <u>indicate that it has been</u> resolved; and

if the implemented desired response is not acceptable to the auditor, negotiating a subsequent resolution to the finding between an auditor and a client.